

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NEBRASKA**

In re:)	
)	Case No. 10-82436
PROFESSIONAL VETERINARY)	
PRODUCTS, LTD, et al.)	Chapter 11
)	
Debtor.)	Joint Administration

**ORDER APPROVING AUCTION AND BID PROCEDURES
FOR SALE OF CERTAIN OF THE DEBTORS' ASSETS**

The matter now before the Court is the Motion under Sections 105(a), 363 and 365 of the Bankruptcy Code to (i) Approve Auction and Bid Procedures; (ii) Approve the Sale of Certain of the Debtors' Assets, Outside the Ordinary Course of Business Free and Clear of Liens and Interests; (iii) Assume and Assign Unexpired Leases and Contracts; and (iv) Set a Date for A Sale Hearing (the "Sale Motion") filed on behalf of Professional Veterinary Products, Ltd., et al., (the "Debtors"). Capitalized terms used but not defined in this Order shall, have the same meaning set forth in the Sale Motion. After having considered the Sale Motion, the Court hereby finds and determines that proper and sufficient notice of the Sale Motion has been given, and that certain relief requested in the Sale Motion, regarding approval of Auction and Bid Procedures, is necessary and proper under the circumstances, is in the best interests of the estates, is necessary to avoid immediate and irreparable harm to the estates and it is hereby,

ORDERED, that

1. The Auction and Bid Procedures are approved.
2. The Auction and Bid Procedures approved herein shall govern the submission and consideration of all initial offers and competing bids for the Sale Assets owned by the Debtors, as described in the Sale Motion.
3. Nothing herein shall alter or affect the rights granted to Wells Fargo Bank,

National Association (“Lender”) pursuant to that certain Stipulation for Secured Borrowing and Adequate Protection dated August 20, 2010 (the “Stipulation”), the Credit Agreement (as defined in the Stipulation) and by the other Loan Documents (as defined in the Credit Agreement) by and among the Debtors and Lender, and any interim or final order entered by the Court approving the Stipulation (the “DIP Order”).

4. Lender shall retain its rights, under 11 U.S.C. § 363(k), to credit bid for the Debtors’ assets at any Auction.

5. The Debtors are further authorized and empowered to take such additional and other steps as may be necessary or appropriate to effectuate the Auction and Bid Procedures approved by this Order.

6. The Court shall hold a final hearing (the “Sale Hearing”) on **September 10, 2010** to authorize and approve the sale of the Sale Assets to the Winning Bidder free and clear of all liens, encumbrances, claims and interests, and the assumption and assignment of executory contracts and unexpired leases.

7. The net proceeds of the sale shall be distributed pursuant to the DIP Order to the extent the Debtors’ obligations thereunder have not been satisfied. The liens of the Lender shall attach to the net proceeds of the sale.

8. The Form of Notice attached hereto as Exhibit A is approved and that (1) all other potential qualified bidders known to the Debtors are to receive notice; and (2) notice need only be sent to: (i) counsel to Lender; (ii) counsel to the Unsecured Creditors’ Committee, if any; (iii) all governmental agencies required to receive notice of proceedings under the Federal Rules of Bankruptcy Procedure and any local bankruptcy rules; (iv) all non-debtor parties to unexpired leases or executory contracts; and (v) all entities who have requested notice pursuant to Bankruptcy Rule 2002.

Dated: August 26th, 2010.

/s/ Timothy J. Mahoney
United States Bankruptcy Judge

ORDER SUBMITTED BY:

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NOTICE OF HEARING, AUCTION AND BID PROCEDURES

PLEASE TAKE NOTICE that, upon the Motion Under Sections 105(a), 363 and 365 of the Bankruptcy Code to (i) Approve Auction and Bid Procedures, (ii) Approve the Sale of Certain of the Debtors' Assets, Outside the Ordinary Course of Business Free and Clear of Liens and Interests, (iii) Assume and Assign Unexpired Leases and Contracts and (iv) Set a Date for a Sale Hearing (the "Sale Motion"), this Court entered an order dated August 26, 2010 (the "Sale Procedures Order") approving certain bidding and auction procedures (the "Auction and Bid Procedures") pursuant to which the Debtors will solicit bids and seek authority to sell their assets and scheduling a hearing to consider approval of the sale of assets (the "Sale Hearing"). Unless otherwise defined herein, capitalized terms shall have the meaning defined in the Sale Motion.

PLEASE TAKE FURTHER NOTICE that Bids for the Debtors' assets must be submitted in accordance with the Auction and Bid Procedures, attached hereto as Exhibit A. Seller, in its discretion and after consultation with counsel for Wells Fargo Bank, National Association, and the Unsecured Creditors' Committee, if any, will qualify potential bidders according to their financial qualifications to consummate any purchase of the assets.

PLEASE TAKE FURTHER NOTICE that if Bids are received by 5:00 p.m. on September 7, 2010, the Debtors will hold an Auction on August 9, 2010 at 10:00 a.m. at the offices of McGrath North Mullin & Kratz, PC LLO First National Tower, Suite 3700, 1601 Dodge Street, Omaha, NE 68102, in accordance with the Auction and Bid Procedures.

PLEASE TAKE FURTHER NOTICE that the Sale Hearing to approve the highest or best bid and approve the assumption and assignment of unexpired leases and contracts has been scheduled before the Honorable Timothy J. Mahoney, the United States Bankruptcy Judge, on September 10, 2010, at 1:00 p.m. at the United States Bankruptcy Court for the District of Nebraska, in Robert V. Denny Courthouse, 460 Federal Building, 100 Centennial Mall North, Lincoln, Nebraska. Parties may appear by telephone. Parties intending to participate by telephone must dial into the AT&T TeleConference Center 5 minutes prior to the scheduled hearing at the toll free number 1-888-684-8852, access code 7519215, security code 0804. The court will not call the participants. PARTICIPANT INSTRUCTIONS FOR ENTERING PHONE CONFERENCE and TELEPHONE HEARING PROTOCOL can be found on the courts website: www.neb.uscourts.gov. Objections to the Sale Motion must be filed with the court and served on or before 9:00 am on September 10, 2010.

FOR FURTHER INFORMATION contact the Debtors' counsel listed below.

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